Dev (1946) Department.

MS SERIES.

G.O. No.	3706
Dated	28.9.46

25.13.6

[Despatch Abstract.]

Industries - Sericulture - Removal of control orders in Silk - Petition of the ryots of Kamarkarai etc Kollegal Taluk - Paper ... ordered

To 4759 21/46
12.7.46

The Honourable V. V. Giri Avl. Bar-at-Law,
Minister for Industries and Labour
to the Government of Madras.

Most Honoured Sir,

1 We, the ryots of Kamakerai and neighbouring villages in Kollegal Taluk in Coimbatore District most respectfully submit the following grievances for your most sympathetic consideration.

2 The main Cottage Industry of this Taluk is Sericulture. This Industry has been thriving from time immemorial without the State help and the ryots, in spite of foreign competitions in pre-war periods, kept up the Industry mainly due to their producing the best and durable hand reeled silk.

3 The Government having imposed Control over this Industry during war period to obtain silk for war purposes, the ryots put in their best possible efforts, even against their miserable uneconomic conditions, to help the Government in their noble cause of saving the Country. In introducing the Control the Government took over the reeling of silk from Hand Charkas to Filatures on the ground that only Filature reeled silk only was useful for paradhile purposes. With these reasons in view the humble ryots in order to promote war purposes withstood the strain of too disproportioned rates received from the Government as against the expenditures incurred thereon.

4 We hoped that after the war the Control and monopoly over this Industry by the Government would be removed and the Industry with its hand reeled silk will again thrive. We now find that not only the Control is not removed but also the rates are too ill proportionately paid. This policy of the Government will in course of time compel the ryots to abandon the Industry itself.

5 We beg to point out that the silk reeled in Hand Charka is definitely more superior and durable in all its aspects than the machine reeled silk. By ignoring this fact the vital part of the Industry, for which it stood all these generations, will be lost. The age-long reelers in Hand Charka are now completely deprived of their profession and being unfit for other works are left destitute in life. The few reelers employed at present in the Filatures are almost drawn from other agricultural category and this has again reduced the efficiency of agriculture in those parts. The age-long skilled reelers who are left in rural parts are likely to forget the art and to loose this vital art of hand reeling to the Industry is nothing but to destroy the Industry. This reason and the present conditions of ryots under the Control would contribute to the loss of Industry to the nation in course of time.

We, therefore most respectfully request the Honourable Minister to take this matter into his deep and personal consideration we earnestly hope that the Congress Government which has promised the up lift and improvements of Cottage Industry will not loose sight of this valuable Industry.

On the occasion of the Honourable Ministers next visit to this Taluk we request the Honourable Minister to make searching enquiries from all the ryots by keeping direct contact with them. we respectfully submit that by removing the control not only the ryots would be saved out of their present situation but also the Industry will be saved to the Nation.

We request that on the eve of the Honourable the Ministers' visit to Kollegal, Kamakerai village which is the centre of this Industry may kindly be visited.

we beg to remain
Most Honoured Sir
Your Most Loyal and Humble Ryots

Kamakerai
9-7-'46.

G. Huchappa
Son of
G. Mallappa
Kamakerai. P.O
Kollegal

ಹುಚ್ಚಪ್ಪ
M. ಮಲ್ಲಪ್ಪ
S. ಕೇಶವೇಗೌಡ
P. ಲಕ್ಷ್ಮಣಗೌಡ.
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Chamegowda
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29/7 Pl issue with end

29.7.46

Memo No 47540 DI/46-1 Dt 29-7-46.

Industries - Sericulture - Removal of Control orders ~~up~~ relating to Silk - Petition

Ref: From the ryots of Kamakavai ~~etc~~ & neighbouring petition dated 9.7.46 addressed to HH(I&C)

An ~~copy of~~ extract from the petition cited above is communicated to the DI&C for remarks.

paras 1-6 of petn only

paras 7+8 do not [illegible] are DI&C's remarks

27.7.46 27.7.46 29-7-46

To

The DI&C (with a copy of paras 1-6 as pp 1-3 CF)

R. 18.8.46

To

The Honourable V. V. Giri Avl. Bar-at-Law,
Minister for Industries and Labour
to the Government of Madras

Transcribed

58091

Most Honoured Sir,

We, the public of Kamalcerai and neighbouring villages in Kollegal Taluk most respectfully and heartily welcome your Honour to our village and we offer our respects.

We submit that this Taluk (Kollegal) being situated far from District Headquarters and kith with Mysore State economically, socially and linguistically is obviously left uncared in all respects and our voices are not at all heard in the Government. We have therefore availed of this unique and rare opportunity of a Minister visiting this village and request the Honourable Minister to always bestow personal attention over this Taluk and now sympathetically consider our requests set forth below

Cottage Industry The main Cottage Industry of this Taluk is Sericulture. The insecurity and the plight of ryots under the forecast Control have been explained in detail in our memorandum submitted in July last to the Honourable Minister. There is no security for the ryots under the existing Control. The rates given for cocoons fluctuates too often resulting in the rearers sustaining heavy losses. The Government do not keep a uniform and adequate rate for the cocoons at least on parity with the adjoining Mysore State. Though the Congress Government have declared in their Election Manifesto that they will encourage and revive Cottage Industry such as hand spinning of cotton etc, it is a pity that the Silk Industry is being switched over gradually from the hands of the masses to the State.

The age-long skilled Charka reelers have not only been deprived of their profession and left destitute in life but also the hand reeled silk noted for its durability and frugal production is lost to the Industry. In the filatures there is more loss in the form of waste in reeling and too heavy redundant establishment than in the country charkas. We request that on an analogy with Mysore State which is bordering our Taluk, the Control may be removed allowing the charkas to run in villages as well as filatures, if desired. If the Government prove by practical experience that they can give better rates for the cocoons sold to the Government market than the cocoons sold to the charka reelers then naturally the ryots will take to the profitable side and then there is no need for Control. This is the crux of the point that the forecast Control has to solve. With the above reasons in view, we request the Control may be removed and we also beg to suggest that only a Scientific research and Propogation Establishment may be maintained to educate and propogate the Industrialists on the discovery of furthering and improving the Industry. Beyond this it is not justifiable for the Government to seize the Industry from the ryots, as after all it was the ryots who survived the Industry from time immemorial to this day

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K. Mari Gowda
S. [illegible]
Subbarao
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so far this year has faced with Calamity. The main cultivation in Taluk is "Ragi" and the ryots have considerably supplied ragi the Government established stores. Though the staple food of this Taluk is declared as Ragi almost all use rice in addition to Ragi but no rice has been supplied to the villages as also sugar. We request that the villages may be supplied with rice and sugar.

Villagers are not at all getting clothes on Controlled prices and they are entirely under the mercy of few cloth dealers in Kollegal town. We request the Concerned authorities may arrange to give us clothing on Controlled prices.

Extract Recd. for 28-8-46. (Extract given by Mr. [illegible])

Education and Health The Village Kamakerai has a population of 5000, with a population of over 25,000 in the villages near about the Kamakerai village within a radius of one to two miles has now only an Higher Elementary school and that run in a private house on rent. If there is anything vitally lacking in this Taluk it is education. We therefore request that to start with a Middle School may be established at Kamakerai immediately.

This and neighbouring villages are in urgent need of medical aid. We request that a permanent Dispensary may also be established in Kamakerai immediately

Forest Produce. The present policy and administration of the Forest department is very hard on the ryots in getting their needs for their day-to-day life. The requirements of ryots are Fuel, Bamboos, Housing timber Agricultural implements and pasture for Cattle. At present these produces are sold to one or two Contractors by the department on Competitive prices and the ryots are made to purchase the produces from the Contractors paying whatever demanded by the Contractors. in addition to the ryots to run to the Contractors depots in the Towns. This system has not only made the ryots pay heavily but also subjected to great inconvenience in going to towns and in addition pay heavily and be at the mercy of the Contractors. We therefore request that Government depots may be opened in proper Centres and the produces made available to the ryots at a resonable price.

We avail of this unique and rare opportunity of the Honourable the Minister's visit to this village and while offering our deepest respect, we repose our full confidence in the Hon. Minister and benevolence and we will receive the benevolent and personal attention and kindness of the Minister.

We pray for long life of the Honourable Minister.

With deepest respect
We beg to remain
Most Honoured Sir,
Your Humble Ryots
[illegible]
K. M. Puttamma
[illegible]

Kamakerai
9-8-46.

59930D1/46
20.8.46

C.F. 32.

In reply, please quote number, date and short title.*

INDUSTRIES & COMMERCE DEPARTMENT.

Received _____ *Registered* _____

From (Name) A. Khaleeli Esq., I.C.S.,

(Designation) Director of Industries & Commerce,

Post Box _____, (Station) M a d r a s.

Telegraphic Address _____

To

The Secretary to Government,
Development Department, M a d r a s.

No. 5036.D3/46, *dated* 16--8-- 19 46

Sir,

Sub: Industries - Sericulture - Removal of Control Orders relating to silk - Petition to the Hon'ble Minister for Industries and Labour from the ryots of Kamakarai and neighbouring villages - Remarks - submitting.

Ref: Government Memo No.47540.D1/46-1, Development dated 29-7-1946.

Enclosures _____

Spare Copies _____

I enclose a copy of a letter embodying the views of the Sericultural Expert and the General Manager, Government Silk Filatures, Kollegal on the several points raised in the petition addressed to the Hon'ble the Minister for Industries and Labour by the ryots of the Kamakarai and the neighbouring villages. I generally agree with the views expressed thereto. I consider that in the interests not only of the silkworm rearers but also of the Government Silk Filature at Kollegal which provided employment for a large number of silk reelers and others. It is necessary to have active price control of cocoons permanently. I invite, in this connection, the attention of Government to para 26 and 27 of Part II of the Five Year Plan for the Reconstruction and Promotion of the Sericultural industry in Madras now under the consideration of Government dealing with cocoon production and sale, and silk reeling.

M.V. Jagannatha Rao 16-8-46.
for Director of Industries & Commerce.

Office of the Director of Industries and Commerce, Madras dated 17-8-46.

Copy of Letter From Sri. A.T. Janakiraman B.Sc., Sericultural Expert Kollegal, To the Director of Industries & Commerce. dated 5th August 1946.

Sub: Industries - Sericulture Removal of Control Orders relating to silk - Petition.
Ref: Director's Endorsement No. 47540-D1/46-1 Dev. dated 29.7.46.

In consultation with the General Manager, Government ~~Silk Filature~~ Silk Filature, Kollegal, I beg to state as follows:-

It has been widely recognised by all industrialists and experts on Sericulture in the country that the Sericulture industry is a unique one differing from other industries in this sense, that in its modern form it cannot stand without Government organization and assistance. A close study of the industry in other countries like Japan, China, France and Italy bears ample testimony to this fact since they have attained their pre-eminence in silk production only due to active State aid and Government pioneering in different directions varying with the different needs of each individual country. These Governments exercise a collective control over the industry as fundamental policy in order to maintain the economic equilibrium in the industry. A reference in this connection is invited to page 35 of the Report of the Indian Tariff Board on Sericulture published in 1935 (Copy enclosed for ready reference).

In times of world prosperity, when the price of silk is high it is possible for the industry to exist and even to flourish without the assistance of scientific and upto date methods, but in times of depression, felt only too keenly by a luxury industry such as Sericulture when supply is in excess of demand and markets are hard to find and difficult to retain, the producer of inferior goods at uncompetitive prices will be the first to go to the wall. When the silk industry was caught in the slough of world's slump as happened in 1929, the Indian Sericulture industry was the worst to be hit hard, as the Sericulturist had little margin to draw upon as profits being un-organised to safeguard himself against such circumstances. The Government of India who were keenly watching the letter greatly in the condition of the industry and finding it to be languishing, set up two successive tariff boards to conduct a thorough investigation into the conditions of the silk industry in India in 1933 and 1938 and threatened the very existance of the industry. After exhaustive enquiries, it was the unanimous conviction of the Board that one of the main causes for the slow progress in the field of sericulture in India in the past was the crude methods adopted in reeling of silk, when other sericultural countries were advancing day by day and adapting themselves to changing circumstances and demand of the trade. The Silk Panel recently constituted by the Government have endorsed the same and have also laid special sense of the Panel that State Policy should concern itself first and foremost with improving the quality of the silk by establishing and maintaining international standards since silk was not a local but a world commodity. They also feel that any improvement brought about in the industry, if any it does not aim at ~~a~~ quality production for silk, would be largely futile. Silk reeling by hand on the charka does not provide scope for any improvement of the quality of silk and when these are lacking, the silk produced is of a very inferior quality, full of defects and impurities. On account of these inherent defects in the charka silk, it has lost its commercial congnisibility in the market. In fact the defects due to careless and inefficient reeling by hand are so radical and numerous that they constituted a serious menace to the normal and smooth progress of the industry in general. It could be confidently stated that charka hold its own, it is only through the filatures as only filature grade raw silk could withstand the onslaught of foreign competition. The market for indigenous raw silk can be secured, consolidated and expanded provided the quality of silk is improved and the cost of production reduced. The production of silk in well organized filatures is the best means of achieving this object as this alone can ensure a steady supply of raw silk of the required quality. The last war came as a powerful resurrector to

this industry as it created a peculiarly propitious set of circumstances for an era of unprecedented prosperity for sericulture since the serious defect which formed the weakest link in the chain of organization in the past was removed by the substitution of filature reeling for hand reeling. The economics of large scale production are not available in the cottage and without this, the Indian producer has small chance of competing successfully with the imported silk. The development of filature reeling will not and cannot throw out of employment any appreciable number of charka reelers as their services are always required in filature reeling and they would be utilized with advantage and with increased remuneration to them. The charka reelers have always been given a reasonable chance to take up jobs in the filatures and it may be mentioned that many have already employed at the filatures. Many families have also migrated from the surrounding villages to Kollegal. Before the establishment of the filatures, the total number of charka reels was only about 500 employing about 1000-2200 workers who has seasonal occupation only whereas the filatures are at present giving steady employment to over 2,000 families of young men and women, mostly Harijans and belonging to other agricultural communities as well who would otherwise keep idle and be out of pocket for necessities except when weeding, transplantation or harvesting opertions employed them in the fields. In place of this seasonal employment, the filature provide them work daily with handsome wages and better conditions of work. It would be apparent to any new visitor that they have a zest in and for life.

3/During the war a certain number of charka reelers had been given licences to run 184 charka establishments and such of those grades of cocoons that were unfit for filature reeling were allotted to them through the Government Cocoon Markets. These licences were subsequently withdrawn in February 1945 purely as a temporary measure when shortage of cocoons was felt in the filature involving throwing out of large number of of workers from work. However, under the 5 year plane (vide para 27, Part II) it has been contemplated to set apart a portion of the production for reeling in the Foot-reeling machines designed by the department which is a combination of both the charka and the filature machinery. Provision has also been made for the free distribution of 250 F.R. machines during the 5 year of period of the absorption of the surplus cocoons left over after meeting the demand from the filatures. The department has always been aiming at improving the lot of the reelers and they are fully alive to their needs, but at the same time it would be deplorable if after having made considerable progress in raising the standard of silk, the charkas are allowed to have a swap over the filatures as that will not be in the permanent and larger interests of the industry and that will only be a retrograde step calculated set back the clock of progress. If the Sericulture industry is to sustain itself on a competitive basis in the coming years, it is time, that out filature reeling industry is stabilized. In the circumstances explained above, the contentionof the petitioners that hand reeling is definitely superior to filature reeling is untenable.

4.The important statement of the petitioners that they withstood the strain of too disproportionate rates received from the Government by them as against the expenditure incurred thereon is not also borne by facts as the extent under mulberry cultivation in this taluk has advanced from 5,735 acres in 1938-39 to nearly 20,000 acres in 1945-46. Before going into the questi of the alleged low rates paid for the cocoons, it would be better to explain the position of the rearers before 1938-39 and now.

Before the introduction of the Control in the prewar days and for some time during the war also, the silkworm rearer, the primary producer of the raw maertial was a creature of the market as well as the weather. His income was dependent not only on the state of the harvest of cocoons but much more on the prices he could obtain for his produce in an unorganised market controlled by a few vicious combines of brokers and reelers who offered them prices to suit their own selfish interests. Without any conception of fairness. The rearer has to dispose of his cocoons in fewer sheets at time for any price sice cocoons as harvested by him cannot be stored for long and should be sold withing a reasonab

time after they are spun as otherwise he would must loose by weight and also by the moths cutting out and thereby sustaining total loss for all the labour that he has put in and the expenditure incurred. The reelers were all mostly, on credit and the rearer had to wait in their turn on the silk merchant for the realization of their sale proceeds of their silk. It will thus be observed that it was the rearer, the primary producer, who had to bear the entire brunt of the loss and who is fully exploited. During the war, cocoon prices rose to unprecedented levels and the corresponding hard hit the ultimately he had to bear the rise in prices. Action then needed was largely one of putting the lid on rising prices. Government at this juncture when they also wanted raw silk urgently for war purposes thought it fit to introduce the cocoon control in June '43 to put down inflation in the market by controlling prices of cocoons. They accordingly implemented a policy of price fixations as a direct and effective form of assistance, the guiding principle of which was to fix prices at a level which would be fair and be capable of being enforced in practice. A parity was secured by linking the cocoon price to the cost of living and the rearer to be paid accordingly by notifying the prices every month in the official gazette. Government Cocoon Markets located in important cocoon producing centres have also been established wherein the rearer finds a ready and steady market for his cocoons he has nothing to worry about since export cess is paid on the cocoons delivered by him. Prices are also paid qualitywise and incases of disputes when he is not satisfied with the assessment by the Market officers he is given the option to go in for arbitration. This system is the best and rational method that could be conceived of as it ensures the rearer of an assured market at a guaranteed price based on the movement of the cost of living index for his produce under all circumstances. This also prevents prices from going beyond a maximum in order to safeguard the interests of the consumer. Since March '46, the rearer is also paid a bonus over and above the basic economic price to obtain parity with prevailing prices at Mysore, an uncontrolled area. The rearer has thus no cause for any grievance as he is paid a price at present which is beyond the means of the average consumer.

Now that the Sericultural industry has risen to an appreciable level of efficiency from the point of view of technique methods of production the extent of organization and marketing, proposals are underconsideration to evolve an active price control policy with a view to ensure a stable wage to the producers.

5 It will thus be apparent that it will not be in the interests of the silkworm rearers in this Province to remove the CocoonControl and Government having a peculiar responsibility to keep the conditions in the industry as stable as possible cannot subscribe to the views expressed by the petitioners in the interest of the stability of this poor man's industry. Thus the plea put forth by the petitioners is not supported by any sound principle and is more activated by selfish motives by a few discontented master reelers having proprietary interests.

Indian Tariff Board

Para 35.

For many of the defects mentioned above Government neglect in the various areas has been largely responsible. The sericultural industry is a unique industry, differing from other industries in this sense that in its modern form it cannot stand without Government organization and assistance. Pebrine infection a hereditary disease of the silkworm and the chief obstacle to economic production, cannot be controlled without Government legislation, nor can the best and cheapest silk be produced without a central scientific research organization, nor can it be marketed at the best price without being scientifically graded and in a conditioning house. It is difficult for these institutions to grow in a backward country like India without Government assistance. Our long historical survey shows that the industry flourished in Bengal as

~~long as the East India Company took an interest in it. Since 1835 the industry has alternately revived and declined with the fluctuations in the interests of Government. This has become keen at time of silk famines in Europe, as for instance in 1870 and 1915, when inquiries were ordered, and has subsided at times of plenty. If the industry has survived at all, it has done so on account of its inherent vitality. The need of Government assistance has been emphasised by Mr. Norton Breton, a great London authority on silk, in a lecture on "Sericulture in the British Empire" before the Royal Society of Arts in the following words:-~~

"Why should the Governments of these countries be so concerned in the establishment of sericulture and why should not private enterprise do it? I am all out for as little government interference as possible, but in the case of sericulture it is necessary to have the most stringent rules and regulations in regard to the industry if it is to prove successful. Silkworms are prone to infectious diseases and the reproduction of eggs has to be very strictly controlled. However careful private enterprise, in its own interests, might be to keep these diseases in the country. I think it is better that Governments should encourage the inhabitants to start the industry and exercise the necessary supervision in its early stages".

P1 mm in ~~[illegible]~~ today
20.9.46

94/2/9 DW (DI)

DUNO 47540 DI/46.5 dd 20.9.46

My Dear Khaleeli,

Sub.. Industries - Sericulture. The Madras Silkworm Cocoon Control Order 1945. Extension

I am I enclose a copy of my note as desired.

Y.S.

P. 19/9/46

To
A. Khaleeli Esq
I.C.S.,
DS &c
Madras
(with a copy of paras 1 & 2 on pp 8-10 n.f.)

Note

The last two sub-paras of my note may be omitted].

Development (D) Department.

INDUSTRIES - Sericulture - Removal of control orders in silk - Petition.

From the ryots of Kamatherai petition dated 9.7.1946.

To U.S.

Please see the petition at pages 1-3 c.f. and the Hon'ble Minister's (I & L.) Minutes thereon.

2. The representations made in the petition fall under the following categories:--

(i) Removal of controls relating to Silk ~~yarn~~ worm cocoons.
(ii) Removal of control of prices of silk yarn.
(iii) Maintenance and encouragement of charka reeling of silk; and
(iv) Request to the H.M. to visit Kamakerai, a centre of the silk Industry, during the Minister's visit to the Kollegal area.

Items (i) and (ii) above: So far as the ryots engaged in the Sericultural Industry are concerned, the following control orders affect them at present --(viz)

(a) The Madras Silk worm cocoon Control Order, 1945
(b) The Madras Silk Yarn (Transport) Control Order.
(c) The notification of the Govt. of India relating to the regulation of prices of Silk Yarn.

The Madras Silk Worm Cocoon Control Order was first issued as a measure intended to secure an adequate supply of silk worm cocoons for the production in the silk Filatures at Kollegal of filature silk required for war purposes. The prices of cocoons were controlled and markets were established by the Govt. for grading cocoons according to quality and for ensuring to the silk worm cocoon producers a fair price for the cocoons. The prices were linked with the cost of living index in Madras During the period of war, the Mysore State also cooperated in the regulation of the prices of cocoons. On the termination of the war, the control in Mysore was removed, without reference to conditions in this Province, which resulted in violent fluctuation in prices of cocoons in the Kollegal area. This situation had to be met by permitting the purchase of cocoons, required for the working of the Silk filatures at Kollegal, on the payment of a bonus of 75% over the sliding scale of prices notified under the Madras Silk worm cocoon control order. Such an arrangement would appear to have sufficiently secured a fair price to the ryot for cocoons; the representation that the rate

are too ill proportionately paid will not be tenable, at least, so far as the price of cocoons are concerned.

As regards the removal of the Madras Silk worm cocoon Control Order, the D.I & C. has reported that it should be retained as a permanent measure even in peace time in the interests of the primary producers. Experience has shown that 'vested interests' and 'middlemen' have been able in the past to manipulate the prices of cocoons to suit their needs and to disturb the normal trade in that commodity, which the rearers cannot hold back for better prices, as in the case of other articles. Please see the extract at (Z), from a report of the D.I & C. in which he has set out at length how the cocoon control order has been beneficial to the ryots. In the circumstances, it would seem that the demand for the removal of the Control order cannot now be seriously considered in the best interests of the petitioners themselves who do not appear to have realised in full the good that the control measure does to them.

Madras Silk Yarn (transport) Control Order. During the war the Madras Silk Control Order was issued under which all the silk yarn produced in this Province (mainly the Kollegal area) was taken over by the Govt., in order to prevent profiteering by private persons in a scarcity market for silk yarn. The movement of silk yarn was also regulated by a system of permits under this order. Subsequently, the Govt. of India notified ceiling prices for silk yarn and it was not consequently necessary any longer for the Govt. to purchase the silk yarn from producers and to resell it. The cessation of hostilities saw a removal in the Mysore state of all restrictions relating to the trade in silk yarn. The prices of silk yarn shot up in Mysore and a tendency for silk produced in this Province to move into Mysore was evident. The merchants in the Province were forced to purchase the silk at enormous prices which prevailed in Mysore. The transport of silk yarn in the Province was therefore controlled and regulated by the issue of a control order. Even now, the silk market has not come back to normal conditions and the regulation of the movement of silk yarn under a permit system is in the interests of the persons engaged in the production

of silk yarn. Removal of the Transport control order would be prejudicial to the petitioners and will perhaps have to be ~~deprived~~ deferred for some time longer.

Prices of silk: Ceiling prices for silk yarn of different grades have been notified by the Govt. of India. As the price of silk is however interrelated with the price of cocoons, it was not found possible to adhere to the ceiling prices prescribed in the case of ~~silk of~~ filature silk produced in the silk filatures at Kollegal. With the concurrence of the Govt. of India the silk produced in the Silk Filatures are being sold at prices based on cost of production, pending the repeal of ceiling prices. This arrangement does not ~~offer~~ affect the producers of silk other than filature silk ~~the~~ but the prices of charka reeled silk will also correspondingly be governed by the cost of production. In view of the fact that the two silk Filatures at Kollegal will consume the entire quantity of good cocoons, the hand reeled silk produced will only be a very limited quantity.

Item (iii) on p. 1 abv.:
Maintenance and encouragement of hand reeling of silk. The ~~existence~~ working of the silk filature factory at Kollegal will naturally limit the production of charka reeled silk, as the entire quantity of cocoons produced in the area will be bought up for use in the Filatures. It is expected that notwithstanding the finer quality of hand reeled silk, demand from weavers for filature silk will be greater as such silk becomes available in larger quantities, in preference to hand reeled silk. The D.I & C. has reported, in another ~~current~~ connection, that it would be possible to popularise and limit charka reeling of silk ~~to~~ in areas where it would not be possible to put up a filature as an economic unit. In this light, the representation in the petition would appear to be correct. The Govt. can only encourage hand reeling of silk as a cottage industry to the extent possible, as they have committed themselves to a larger development of the industry on more scientific lines by setting up a filature of their own at Kollegal. Perhaps an assurance that the cottage industry will not be neglected and ~~they will help rendered~~ as for any help required by the ryots will be considered will satisfy the petitioners.

on p. 1 abv.:
of H.M. to Kamaraj: H.M. had proposed to visit Kollegal in June last, but postponed the tour. The petitioners may perhaps that an opportunity will be given to them to

represent their grievances personally at Kollegal when H.M. visits the area next.

For orders as to circulation of the case to H.M.

The petitioners represent that their cottage industry of producing hand reeled silk is adversely affected by the starting of the Filatures in Kollegal & the protection given to them by means of the various control orders. This must be a common complaint when a modern machine seeks to replace the old & primitive methods of production. The policy of the Govt is to encourage cottage industries, as also to see that the Filature silk industry flourishes. As this is an important matter of policy the remarks of the D.I&C may be obtained before sending the case for circulation.

18.7.46

ASM 20-7-46 S 8.26/7/46 fr 16

To US

A draft O.M. to the DG &c is submitted for approval

27.7.46 27.7.46 ASM 29-7-46

Issued as Memo No 47543 DI/46-1 dd 29.7.46 pp 5 cf

From the ryots of Kamakavai petition dated 9.8.46 pp 7-10 cf

To US

Please see the further petition from the ryots of Kamakavai and its neighbouring villages to H M (G &c) during his tour in the Kollegal area at

It may be recalled in this connection, that the ryots of the Kamakarai wanted to represent their grievances personally to the H.M when he visited the area next. Vide paras 7 and 8 on p3 CF.

3. Para 2 on p7 CF. The grievances mentioned herein are only those contained at paras 3 to 5 of the memorandum at p1 CF. The Dg te has been ~~consulted~~ requested to offer his remarks on the several points raised by the petitioners. His reply is awaited. The draft O.M reminder to the Dg te below is for approval.

AM 19.8.46

Paras 3 & 4 on p9 CF. Food Dept is concerned with para 3 and E&PH with para 4. ~~Necessary~~ Extracts of these paras may be sent to ~~those Depts~~ the respective Depts for necessary action.

Extracts sent to E&PH & Food on 26.8.46

yes AM 19.8.46

SC 17.8.46

Para 5 on p9 CF: An extract of para 5 on p9 CF may be given to 'C' Sec for separate action, if necessary.

Through 'C' w.r.t para 5 on p9 CF

SC 17.8.46

yes AM 19.8.46

SC 17.8.46

Extract recd. 22.8.46

From the Dg te Lr No. 5036 DS/46 dd 16.8.46

TO US

Please see the Dg te's reply at p11 CF to the memo at p5 CF.

2. He has submitted for the information of Govt a copy of the views of the Sericultural Expert and that of the Gl. Manager Kollegal on the several points raised in the memorandum at pp 1-3 ~~at~~ CF.

Maintenance and encouragement of hand reeling of silk. Please see para 5 of the memorandum at p1 ~~at~~ CF. ~~At~~ paras 2 & 3 of the ~~Sericultural Experts report~~ at pp 13-14 CF, the ~~SE~~ Sericultural Expert

has explained clearly how the development of Filature reeling will not and cannot throw out of employment any appreciable number of Charka reelers and their services are always required in the Filatures. The Standard of Silk could be raised only by Filature reeling and according to the Sericultural Expert ~~only~~ the Filature Silk alone can withstand foreign competition. It is also pointed out that under the five year plan of Sericultural development in this Province, which under consideration of Govt., steps will be taken for reeling of Silk by the foot reeling machines which is a combination of the Charka and the Filature machinery. Cocoons left over ~~after over~~ after ~~the~~ meeting the demand of the Filatures, will be utilised for the purpose. The DGte agrees with the views expressed by the Sericultural Expert. It is however to be remembered that charkha reeling of Silk has from time immemorial been a definite item of cottage industry in the Sericultural areas of this province. According to the DIEL, this cottage industry will be given only second preference after satisfying the needs of the Silk filature for cocoons. For orders whether the views of the DIEL on this point will be accepted and no action considered necessary on the representation of the petitioners.

Paras 3 and 4 of the memorandum at pict. Removal of controls relating to Silk worm Cocoons and removal of of prices of Silk yarn. The circumstances under which the Madras Silk worm Cocoon Control order ~~1945~~ was promulgated and how it ~~is acting~~ ben ensures an assured market at a guaranteed price to the ryots for his cocoons is explained by the Sericultural Expert ~~at~~ in para 4 on pp 14-15 cf. The DGte considers that, in the interests not only of the Silk worm rearers but also of the Filatures at Kollegal, it is necessary to have a active price control of Silk worm ~~Coo~~ Cocoons as a permanent measure. The DGte will no

doubt submit ~~separately~~ proposals on the subject separately to Govt. In the light of this, the petitioners cannot be assured of any relief on the removal of control over Coc

~~It may be mentioned in this connection~~

As regards the price of silk, the Govt of India ~~have very~~ recently ~~[illegible]~~ removed the controls over the price and distribution of silk. The Dgte's letter does not contain any ~~comment about the~~ reference to the Madras Silk Yarn Transport Control order which affect the ryots engaged in Sericulture. Presumably the Dgte has refrained from offering any remarks on it as ~~the memorandum~~ no specific complaint is made in the memorandum about the present system of regulating the movement of silk yarn under a permit system which was introduced in the interests of persons engaged in the production of silk yarn in Province.

In the circumstances start by the ~~Dr~~ no action appears necessary on the memorandum at pp 1-3 cf. For orders whether the ~~[illegible]~~ papers ~~may~~ will be recorded ~~[illegible]~~ or whether any reply to the petitioners will be considered necessary.

26.8.46

A reply may perhaps be given to the petitioners

27.8.46

3-9-46 S.

Through

M I

P & D IV

Silk does not come within the ambit of the proposed legislation for essential articles. Does not this imply that the Yarn Control order will ~~[illegible]~~ automatic [illegible] 8 [illegible] after 30th Sept [illegible]

could submit ~~separate~~ proposals on the subject separately to Govt. In the light of this, the petitioners cannot be assured of any relief on the removal of control over Co-co ~~It may be mentioned in this connection~~ ~~that~~ As regards the price of silk, the Govt of India ~~have very~~ recently ~~[illegible]~~ removed the controls over the price and distribution of silk. The Dgte's letter does not contain any ~~comment about the~~ reference to the Madras Silk Yarn Transport Control order which affect the ryots engaged in Sericulture. Presumably the Dgte has refrained from offering any remarks on it as ~~the memorandum~~ no specific complaint is made in the memorandum about the present system of regulating the movement of silk yarn under a permit system which was introduced in the interests of persons engaged in the production of silk yarn in the Province.

In the circumstances stated by the ~~Dr~~ Dr, no action appears necessary on the memorandum at pp 1-3 ct. For orders whether the ~~[illegible]~~ papers ~~may~~ will be recorded or whether any reply to the petitioners will be considered necessary.

26.8.46

A reply may perhaps be given to the petitioners

27.8.46

ASM
3-9-46

S.

through
M I
P & D IV a
'Z' 28/8/46

Silk does not come within the ambit of the proposed legislation for essential articles. Does not this imply that the Coon control order will ~~[illegible]~~ automatic cease & operate after 30th Sept

In which the Defence of India Act

TO US

'A' on pp 7-8 above: ~~The DG&C may perhaps be consulted in the matter. The draft DO below is for approval~~ --

(The Madras Silk worm Cocoon Control order will autor cease to operate after 30.9.46. The proposed legislation for essential articles provides scope for inclusion of the silk worm cocoons also in its ambit by a notification declaring 'Silkworm Cocoons' to be an essential article as defined in the new measure. The DIC holds that the control in respect of Cocoons should continue as a permanent measure. Perhaps 'Z' on pp 8 steps may be taken to include 'Cocoons' in the annexure to the new Act, after it is passed into Law. For orders.

'A' above may be done

ASM - S
11.9.46

SS
11.9.46

ASM
11.9.46

I agree with the Sericultural Expert that filature silk is superior to Charka silk and that the future of the silk industry is bound up with its ability to adapt itself to modern advances in technique designed to improve efficiency and lower the cost of production. Our policy should be to encourage the production of filature silk but that does not mean that we should set out deliberately to kill the charka silk industry which is a cottage industry, although its extinction may be a consequence of such a policy. Whether the charka industry will survive or not depends on its ability to compete with the filature industry. If the filatures produce silk of a better quality at a cheaper price the charka reeler will inevitably go under. His elimination should be brought about by the irresistible play of economic

forces and not by the creation of a monopoly of cocoon in favour of the filatures. The Government would never have considered seriously the creation of such a monopoly if the filatures in Kollegal were in private hands. The fact that they are worked by Government should make no difference.

2 As regards control over the price of cocoons, the arguments adduced by the Sericultural Expert are in theory unexceptionable. But both he and the D.I. & C have lost sight of the facts that Kollegal where our silk industry is at present concentrated cannot be insulated from the adjoining State of Mysore which as the senior partner in this industry produces the bulk of the cocoons and that no scheme of price control will have any chance of success unless it is worked in conjunction with Mysore which holds the key The unilateral action of Mysore in withdrawing control over the prices of cocoons imposed during the war made our scheme of price control unworkable and to talk about retaining price control as a permanent measure with this experience fresh in our memory is to ignore facts. Furthermore, if control over the prices of cocoons is considered desirable the control should be exercised all along the line i.e., the prices of cocoons, yarn and silk fabrics should all be controlled. Representing a very small segment of the silk industry as we do, we can hardly expect to control the price of silk fabrics (which depends on a number of factors including the Tariff Policy); and if, in such a state of affairs, we relate the prices of cocoons to the cost of living index in our scheme of price control (the present basis of price fixation which had to be thrown overboard the moment Mysore abolished price control) we will either be paying less to the produce if the prices of fabrics warrant the payment of a higher price than is justified by the cost of living index -- in which case he will smuggle his cocoons

as he did sometime ago into the uncontrolled market in Mysore -- or will be paying more than is necessary in which event we cannot sell our silk yarn and fabrics manufactured from that yarn in a competitive market. In either case therefore the scheme of control is bound to break down. The only way in which we can help the producer is to establish markets similar to those established under the Commercial Crops Act to enable the producers to get the maximum price they can in a competitive market. The D.I & C. has not examined with care the implications of his proposal.

H.M. (I & L) may discuss this further if he so desires, with the P.T.C. who is in touch with the Silk business and the D.I & C.

No action is necessary on the representations of the petitioners.

/A

[signature] 15/9/46

H.M. (I.L.) [signature] 17/9

TO US

An extract of the notes from the bottom of p 7 above has been added to another file in which the extension of the Cocoon Control order after 30.9.46 is under consideration

In view of A above, these papers may now be recorded

[signature] 26946 [signature] 26946

[signature] 28.9.46

GO NO 4737 [illegible]

Industries & Removal of orders in S Petition of of Kamakar Kollegal [illegible] recorded